

Drug card benefits escaping U.S. seniors

By Jennifer Heldt Powell Friday, June 4, 2004

Medicare chief Dr. Mark McClellan has spent millions on advertising the program's new drug discount cards and countless hours personally promoting them - to no avail, apparently.

Seniors remain confused and retain negative impressions of the card program, which is the first in a series of <u>Medicare</u> reforms, the Kaiser Family Foundation reported yesterday.

Consumer attitudes are based on misinformation and a lack of information, Kaiser reported. Its study was based on in-depth research of small groups of seniors.

Within hours of the report's release, McClellan was on the phone to reporters nationwide defending what his agency has done and pledging to do more.

``Our new challenge is to help make sure beneficiaries are getting accurate and truthful information," he said.

His swift response isn't surprising given what's at stake, analysts say.

"They've got a big public relations problem with this thing, and it's also a political problem," said Ira Loss, who follows health policy for Washington Analysis.

President Bush [related, bio] was counting on the program to win votes with seniors, but it doesn't appear as popular as predicted, Loss said. Although 7 million seniors are expected to sign up, so far fewer than 3 million cards have gone out.

``It reflects the general attitude of the public that they don't believe this is any good for them," Loss said. ``Whether it is or isn't remains to be seen, but people are skeptical."

Kaiser researchers said seniors don't believe the discounts are deep enough or that the \$600 yearly benefit for those with low incomes is enough.

They also said that it's hard to weigh the information and choose from among 73 different cards.

"We're not surprised at the level of confusion, given the lack of knowledge found in (previous) surveys," said Tricia Neuman, a Kaiser vice president.

She said more seniors may become interested in drug discount cards as they hear from those who have them.

``We learned that seniors rely on their friends and family members for advice," she said. ``If the cards produce savings, there could be a real push for people to sign up. Word of mouth really counts."

The Centers for Medicare and Medicaid Services has spent millions on ads and set up an elaborate Web site to help seniors evaluate card deals. In addition, it has beefed up its consumer-service staff so that 3,000 workers answer its free help line and assist seniors with their decisions.

While federal officials tried to get the word out about discounts seniors could get, a top Wisconsin official attacked drug prices from a different angle.

Attorney General Peg Lautenschlager sued 20 drug makers, accusing them of violating the state's wholesale pricing laws and driving up costs for other drug buyers, The Associated Press reported yesterday.

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